No. 18-302

IN THE

Supreme Court of the United States

ANDREI IANCU, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR, UNITED STATES PATENT AND TRADEMARK OFFICE,

Petitioner,

v.

ERIK BRUNETTI,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF OF NEW YORK INTELLECTUAL PROPERTY LAW ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF NEITHER PARTY

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QUESTION PRESENTED

Section 2(a) of the Lanham Act, 15 U.S.C. 1052(a), provides in pertinent part that a trademark shall be refused registration if it "[c]onsists of or comprises immoral * * * or scandalous matter." The question presented is as follows:

Whether Section 1052(a)'s prohibition on the federal registration of "immoral" or "scandalous" marks is facially invalid under the Free Speech Clause of the First Amendment.

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STATEMENT OF INTEREST OF *AMICUS CURIAE*

This amicus curiae brief is submitted on behalf of the New York Intellectual Property Law Association ("the NYIPLA"). The NYIPLA is a professional membership association of approximately 1,000 attorneys in the New York City metropolitan area whose interests and practices lie in the areas of patent, trademark, copyright, trade secret, and other intellectual property law.[1]

The NYIPLA's members include a diverse array of attorneys specializing in trademark law, including in-house counsel for businesses that own, license, enforce, and challenge trademarks, as well as attorneys in private practice who advise a wide array of clients on trademark matters, including trademark licensing, and procurement of trademark registrations through the U.S. Patent and Trademark Office ("USPTO"). Many of the NYIPLA's member attorneys participate actively in trademark litigation, representing both owners and alleged infringers. The NYIPLA, its members, and the clients of its members, share an interest in having reasonably clear and predictable standards governing the registration of trademarks.

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1. Consent of all parties has been provided for the NYIPLA to file this brief. Petitioner and Respondent provided consent to the filing of this *amicus curiae* brief in support of neither party in communications dated February 19, 2019 and February 12, 2019 respectively. No party's counsel authored this brief in whole or in part. No party, or party's counsel, contributed money that was intended to fund the preparation or submission of this brief. No person other than amicus curiae, its members, or its counsel contributed money that was intended to fund the preparation or submission of this brief.

The arguments in this brief were approved on February 25, 2019 by an absolute majority of the total number of officers and members of the Board of the NYIPLA (including such officers and Board members who did not vote for any reason including recusal), but do not necessarily reflect the views of a majority of the members of the NYIPLA or of the firms or other entities with which those members are associated.

After reasonable investigation, the NYIPLA believes that no member of the Board or Amicus Briefs Committee who voted to prepare this brief on its behalf, or any attorney in the law firm or corporation of such a Board or Committee member, or attorney who aided in preparing this brief, represents either party to this litigation. Some Committee or Board members or attorneys in their respective law firms or corporations may represent entities that have an interest in other matters which may be affected by the outcome of this litigation.

SUMMARY OF ARGUMENT

Section 2(a) of the Lanham Act, 15 U.S.C. 1052(a), provides in pertinent part that a trademark shall be refused registration if it "[c]onsists of or comprises immoral * * * or scandalous matter" (the "scandalous provision"). The scandalous provision prohibits the registration of trademarks that "give offense" or, as articulated in the test employed by USPTO examining attorneys, trademarks that a "substantial composite of the general public [would find] *offensive* to the conscious or moral feelings." *In re Fox*, 702 F.3d 633, 635 (Fed. Cir. 2012) (emphasis added).

At issue here is whether the scandalous provision of Section 2(a) is constitutional or whether it is facially invalid under the Free Speech Clause of the First Amendment. NYIPLA respectfully submits this *amicus* brief to address two important trademark-related issues inherent in this Court's determination of the merits of the question presented.

First, NYIPLA submits that Section 2(a)'s scandalous provision restricts registration based on viewpoint, because the inclusion of potentially offensive content in a publicly used mark is a form of viewpoint expression.

In *Matal v. Tam*, 137 S. Ct. 1744 (2017), this Court held that Section 2(a)'s provision refusing registration of disparaging marks was invalid under the First Amendment. Justice Alito, in the portion of his opinion joined by Chief Justice Roberts, Justice Thomas, and Justice Breyer, stated that "giving offense is a viewpoint." 137 S. Ct. at 1763. Similarly, Justice Kennedy's concurrence, which was joined by Justice Ginsburg, Justice Sotomayor, and Justice Kagan, distinguished from other content-based speech burdens those "based on viewpoint, *including a regulation that targets speech for its offensiveness*", stating that the latter "remains of serious concern even in the commercial context." 137 S. Ct. at 1767 (emphasis added). Section 2(a)'s prohibition on registration of scandalous trademarks similarly targets marks for their perceived offensiveness and therefore restricts speech on the basis of viewpoint under the reasoning of *Tam* and this Court's First Amendment precedents.

Second, NYIPLA submits that, just as marks that are not registered can be protected, marks denied registration

under the immoral or scandalous provision of Section 2(a) remain enforceable under Section 43(a) of the Lanham Act if other requirements for protection under the common law are met. While *Tam* acknowledged that "even if a trademark is not federally registered, it may still be enforceable under § 43(a) of the Lanham Act," *Tam* did not resolve the issue of whether marks deemed *unregistrable* under the disparagement provision of Section 2(a) remain enforceable. In *Two Pesos v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1995), this Court stated that Section 43(a) of the Lanham Act "protects qualifying unregistered trademarks and . . . the general principles qualifying a mark for registration under § 2 of the Lanham Act are, for the most part, applicable in determining whether an unregistered mark is entitled to protection under § 43(a)" (citation omitted). Some courts have read this statement to imply that an entity whose trademark application is denied under Section 2(a) may not invoke Section 43(a) to enforce its mark because the mark has been deemed "unregistrable" matter. *See, e.g., In re Tam*, 808 F.3d 1321, 1344 n.11 (Fed. Cir. 2015) (en banc), *aff'd on other grounds, Matal v. Tam*, 137 S. Ct. 1744 (2017).

The Lanham Act and *Two Pesos* do not support this interpretation. In the event that this Court upholds the constitutionality of the scandalous provision, NYIPLA respectfully requests that the Court clarify that its statements in *Two Pesos* should not be read to preclude the owners of common law marks from availing themselves of Section 43(a) even if the USPTO denied an application for the mark at issue based on the scandalous provision.

BACKGROUND

I. IN THE U.S. PATENT AND TRADEMARK OFFICE

Erik Brunetti, the director and founder of the clothing brand "FUCT," filed a trademark application with the USPTO to register FUCT in connection with "athletic apparel, namely, shirts, pants, jackets, footwear, hats and caps; children's and infant's apparel, namely jumpers overall sleepwear, pajamas, rompers, and one-piece garments."

In January 2013, the USPTO issued a final rejection of the application on the grounds that, under Section 2(a), the mark consisted of immoral or scandalous matter. Thereafter, Brunetti requested reconsideration of the final rejection, and also appealed to the Trademark Trial and Appeal Board ("TTAB"). The USPTO denied the request for reconsideration and the TTAB affirmed the USPTO's final rejection reasoning:

> It is abundantly clear that the Trademark Trial and Appeal Board is not the appropriate forum for re-evaluating the impacts of any evolving First Amendment jurisprudence within Article III courts upon determinations under Section 2(a) of the Lanham Act, or for answering the Constitutional arguments of legal commentators or blog critics.

In re Brunetti, Serial No. 85/310,960, 12 (T.T.A.B. August 1, 2014).

II. IN THE FEDERAL CIRCUIT

In September 2014, Brunetti appealed the TTAB's decision directly to the Court of Appeals for the Federal Circuit ("Federal Circuit"). *In re Brunetti*, 877 F.3d 1330 (Fed. Cir. 2017). The Federal Circuit affirmed the TTAB's decision, finding that there was substantial evidence supporting the TTAB's holding that the FUCT mark "comprise[d] immoral or scandalous matter." *Id* at 1337. The court also concluded "that § 2(a)'s bar on registering immoral or scandalous marks is an unconstitutional restriction of free speech" and therefore "reverse[d] the Board's holding that Mr. Brunetti's mark is unregistrable." *Id* at 1357.

Following this Court's decision in *Tam*, the Federal Circuit requested additional briefing on *Tam*'s effect on the *Brunetti* case. In its brief, the government contended that "*Tam* does not resolve the constitutionality of §2(a)'s bar on registering immoral or scandalous marks because the disparagement provision implicates viewpoint discrimination, whereas the immoral provision is viewpoint neutral." *Id.* at 1341.

The Federal Circuit questioned the government's position on "the viewpoint neutrality of the immoral or scandalous provision," but found that it "need not resolve that issue" because "[i]ndependent of whether the immoral or scandalous provision is viewpoint discriminatory . . . the provision impermissibly discriminates based on content in violation of the First Amendment." *Id.* at 1341.

Following the decision, the government filed a petition for rehearing *en banc*, which the Federal Circuit denied on

April 12, 2018. Thereafter, the government filed a petition for writ of certiorari to this Court which was granted on January 4, 2019.

ARGUMENT

I. SECTION 2(A)'S "SCANDALOUS" PROVISION TARGETS SPEECH BASED ON VIEWPOINT

Like the disparagement provision held unconstitutional in *Tam*, Section 2(a)'s scandalous provision restricts speech based on viewpoint and, as a result, is presumptively unconstitutional.

A. Viewpoint Discrimination Is An Egregious Form Of Content Discrimination

Regulation of speech that is targeted at specific subject matter is content-based regulation even if the regulation does not discriminate among viewpoints within that subject matter. *Reed v. Town of Gilbert*, 135 S. Ct. 2218, 2230 (2015). It is well settled that "[t]he First Amendment's hostility to content-based regulation extends not only to restrictions on particular viewpoints, but also to prohibition of public discussion of an entire topic." *Consolidated Edison Co. v. Public Service Comm'n*, 447 U.S. 530, 537 (1980).

Government discrimination among viewpoints is a "more blatant" and "egregious form of content discrimination." *Reed*, 135 S. Ct. at 2230 (citing *Rosenberger v. Rector & Visitors of the Univ. of Va.*, 515 U.S. 819, 829 (1995)). The government must abstain from regulating speech when the specific motivating ideology, or the

opinion or perspective of the speaker, is the rationale for the restriction. *Perry Ed. Assn.* v. *Perry Local Educators' Assn.*, 460 U.S. 37, 46 (1983).

A law that discriminates based on viewpoint is presumptively unconstitutional. *Matal v. Tam*, 137 S. Ct. 1744, 1766 (2017) (citing *Rosenberger*, 515 U.S. at 829-30). In that connection, laws which discriminate based on content - - including laws that discriminate based on viewpoint - - are subject to strict scrutiny and, as a result, "may be justified only if the government proves that they are narrowly tailored to serve compelling state interests." *Reed*, 135 S. Ct. at 2226.

This Court has uniformly declared unconstitutional those laws that discriminate based on viewpoint. *Goods News Club v. Milford Cent. Sch.*, 533 U.S. 98, 120 (2001) ("When [the school district] denied [a Club] access to the school's limited public forum on the ground that the Club was religious in nature, it discriminated against the Club because of its religious viewpoint in violation of the Free Speech Clause of the First Amendment."); *Lamb's Chapel v. Ctr. Moriches Union Free Sch. Dist.*, 508 U.S. 384, 394 (1993) ("... the First Amendment forbids the government to regulate speech in ways that favor some viewpoints or ideas at the expense of others.").

B. The "Scandalous" Provision Discriminates Based On Viewpoint

Section 2(a)'s scandalous provision prohibits the registration of trademarks that "[c]onsist of or comprise immoral, deceptive, or scandalous matter." 15 U.S.C. § 1052(a). To demonstrate that a trademark consists of, or

otherwise comprises, immoral or scandalous matter, the U.S. Patent and Trademark Office must show that the trademark is:

> . . . shocking to the sense of truth, decency, or propriety; disgraceful; *offensive*; disreputable; . . . giving offense to the conscience or moral feelings; . . . [or] calling out [for] condemnation.

In re Mavety Media Grp. Ltd., 33 F.3d 1367, 1371 (Fed. Cir. 1994) (citing *In re Riverbank Canning Co.*, 25 C.C.P.A. 1028 (CCPA 1938) (emphasis added)).

In *Tam*, this Court held that Section 2(a)'s prohibition on "disparage[ing]" trademarks was an unconstitutional restriction on speech. All eight Justices saw the provision as restricting speech based on "viewpoint" under this Court's First Amendment precedents. *Tam*, 137 S. Ct. at 1766 (Alito, J.,); *id.* at 1767 (Kennedy, J., concurring). As Justice Kennedy noted, a "law found to discriminate based on viewpoint is an 'egregious form of content discrimination,' which is 'presumptively unconstitutional.'" *Id.* at 1766 (quoting *Rosenberger*, 515 U.S. at 829-30 (1995)).

As Justice Alito pointed out, Section 2(a)'s "disparage" provision "evenhandedly prohibits disparagement of all groups" and in that sense was not discriminatory. *Id.* at 1763. Nevertheless, both concurring opinions in *Tam* recognized that whether a trademark "gives offense" *is itself a viewpoint*. *Id.* at 1763 ("But in the sense relevant here, that is viewpoint discrimination: *Giving offense is a viewpoint.*") (emphasis added); *Id.* at 1766 (with respect to the disparagement clause, "[t]he law thus reflects the Government's disapproval of a subset of messages *it finds*

offensive. This is the essence of viewpoint discrimination.") (emphasis added).

Like the "disparage" provision, Section 2(a)'s "scandalous" provision denies registration to marks that give offense. In fact, the test employed by the USPTO for determining whether a mark is scandalous is whether, from the viewpoint of members of the public, a trademark "gives offense:"

> from the standpoint of not necessarily a majority, but a substantial composite of the general public.

In re Fox, 702 F.3d at 635 (citing *Mavety*, 33 F.3d at 1371).

So, if from the point of view of a substantial composite of the public, a trademark is offensive, the USPTO chooses the viewpoint of one segment of the public over the other. This is the very essence of viewpoint discrimination:

> . . . the test for viewpoint discrimination is whether . . . the government has singled out a subset of messages for disfavor based on the views expressed.

Tam, 137 S. Ct. at 1766 (citing *Cornelius v. NAACP Legal Defense & Ed. Fund, Inc.*, 473 U.S. 788, 806 (1985)).

Like the disparage provision at issue in *Tam*, the scandalous provision discriminates based on viewpoint. This is because it authorizes the government to "single out" a subset of messages - - that is, offensive trademarks - - and to express its disfavor of such trademarks by barring

them from federal trademark registration merely because an offensive viewpoint is conveyed by the trademark.

This conclusion is entirely consistent with one of the bedrock First Amendment principles: the government may not restrict or otherwise prohibit the expression of an idea because society finds it offensive. *Texas v. Johnson*, 491 U.S. 397, 414 (1989). The problem with such a restriction or prohibition was best summarized by Justice Harlan:

> For, while the particular four-letter word being litigated here is perhaps more distasteful than most others of its genre, it is nevertheless often true that one man's vulgarity is another's lyric. Indeed, we think it is largely because governmental officials cannot make principled distinctions in this area that the Constitution leaves matters of taste and style so largely to the individual.

Cohen v. California, 403 U.S. 15, 26 (1971).

II. IF THE COURT FINDS THE "SCANDALOUS" PROVISION OF SECTION 2(A) TO BE CONSTITUTIONAL, THIS COURT SHOULD CLARIFY WHETHER AN APPLICANT WHO HAS BEEN DENIED FEDERAL REGISTRATION ON THE BASIS OF THAT PROVISION IN SECTION 2(A) MAY NEVERTHELESS INVOKE PROTECTION UNDER SECTION 43(A)

Section 43(a) of the Lanham Act is clear that a plaintiff need not have a registration to bring a civil action based on another's use of a confusingly similar mark. *See Wal-*

Mart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205 (2000). Specifically, Section 43(a) permits a civil action to be brought by "any person who believes that he or she is or is likely to be damaged by" the actions of another "who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin" which "is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person." 15 U.S.C. § 1125(a).

In the opinion below, the Federal Circuit did not address whether the owner of a mark that has been rejected by the USPTO on scandalous grounds under Section 2(a) is entitled to invoke the protections of Section 43(a). *In re Brunetti*, 877 F.3d 1330 (Fed. Cir. 2017). The Federal Circuit's opinion in *Tam* suggests that the law is not clear regarding Section 43(a)'s protection of marks deemed unregistrable under Section 2(a). *In re Tam*, 808 F.3d at 1344 n.11 (Fed. Cir. 2015). Judge Moore's *en banc* opinion notes that "the government has not pointed to a single case where the common-law holder of a disparaging mark was able to enforce that mark, nor could [the Federal Circuit] find one." *Id.* at 1344.

This Court in *Tam* generally discussed the Section 43(a) issue in the context of disparaging marks. The *Tam* Court ultimately did not decide "whether respondent could bring suit under § 43(a) if his application for federal registration had been lawfully denied under the disparagement clause." *Tam*, 137 S. Ct. at 1752 n.1.

Judge Moore's footnote in the Federal Circuit's *Tam* decision suggests that the dearth of case law tends to support the conclusion that Section 43(a) is only available for marks that are registrable under Section 2. *See* 308 F.3d at 1344 n.11 (citing *Two Pesos v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1995); *Yarmuth-Dion, Inc. v. D'ion Furs, Inc.*, 835 F.2d 990, 992 (2d Cir. 1987); *Renna v. Cty. of Union*, 88 F. Supp. 3d 310, 320 (D.N.J. 2014)). Thus, Judge Moore's footnote raises a question as to whether registrable matter under Section 2(a) is a prerequisite for Lanham Act protection of an unregistered mark. *See id.* In other words, if "any word, term, name, symbol or device" as described in Section 43(a) is deemed not entitled to registration because it is scandalous, can the owner nevertheless enforce its common law rights against others using similar marks that are likely to cause consumer confusion, mistake or deception, or does the unregistrable status deprive the owner of the potential Section 43(a) claim?

Nothing in the statute or case law prevents the owner of a mark that has been rejected on Section 2(a) scandalous grounds from availing itself of Section 43(a). If the Court deems the scandalous provision of Section 2(a) to be constitutional, NYIPLA believes it is important for the Court to clarify that, if the USPTO denies registration under that provision of Section 2(a), such denial should not, in and of itself, preclude a claim under Section 43(a) if a mark is otherwise protectable and enforceable under common law.

A. The Legislative History Supports That Section 43(a) Was Intended To Apply Broadly Even To Marks Not Entitled To Federal Trademark Registration

Section 43(a) provides individuals with a federal cause of action to enforce common law trademark rights arising under unregistered marks, *see, e.g., Patsy's Italian Rest. v. Banas*, 658 F.3d 254, 267 (2d Cir. 2011) and serves the primary function of deterring consumer confusion. *See EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopulos Inc.*, 228 F.3d 56, 61 (2d Cir. 2000). In 1988, Congress amended Section 43(a) to "codify the law laid down by [the] Federal courts," 134 Cong. Rec. S5864-02 (May 13, 1988) (statement of Sen. Grassley), which "had expanded the [S]ection beyond its original language in 1946," *Two Pesos*, 505 U.S. at 783 (Stevens, J., concurring). *See also, e.g., Warner Bros. v. Gay Toys, Inc.*, 658 F.2d 76, 79 (2d Cir. 1981) (noting that Section 43(a) "should be interpreted and applied broadly so as to effectuate its remedial purpose"). In so doing, and in line with the federal courts' then trend to permit "a broad class of suitors . . . likely to be injured by such wrong" to enforce their trademarks without registration, Congress' intention was to "create, in essence, a federal law of unfair competition." *Two Pesos*, 505 U.S. at 783 (Stevens, J., concurring) (quoting The United States Trademark Ass'n Trademark Review Comm. Report and Recommendations to USTA President and Board of Directors, 77 Trademark Rep. 375, 426 (1987)).

Given this expansive purpose of Section 43(a), it follows that independent of federal registration, a trademark owner should be permitted to prevent and

enjoin "any word, term, name, symbol or device" or "any false designation of origin likely to cause confusion" as to source or origin. 15 U.S.C. § 1125(a); *see also* 134 Cong. Rec. S5864-02 (May 13, 1988) (amending Section 43(a) from creating liability for "a" false designation of origin to creating liability for "any" false designation of origin). Whether the USPTO has denied an application on the basis that the mark "may be scandalous" is irrelevant to the analysis of whether the mark owner is able to utilize Section 43(a) to prevent a defendant's use of a mark that is likely to cause consumer confusion, mistake or deception as to source or origin of it goods. As a result, the Court should clarify that Section 43(a) may be invoked by the owner of any otherwise enforceable common law mark regardless of whether that mark was deemed unregistrable by the USPTO.

B. This Court's Statement In *Two Pesos* Does Not Preclude Availability Of Section 43(a) To Marks Refused Under Section 2(a)

To support its suggestion that Section 43(a) may not be available to an owner of a mark that the USPTO has deemed disparaging, the Federal Circuit in *Tam* relied on a statement from this Court in *Two Pesos*. *Tam*, 808 F.3d at 1344 n.11. In *Two Pesos*, this Court recognized that "it is common ground that §43(a) protects qualifying unregistered trademarks and that the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a)." 505 U.S. at 768; *Wal-Mart Stores, Inc.*, 529 U.S. at 210 (quoting the same phrase from *Two Pesos*). Other courts have also interpreted *Two Pesos* in a similar

fashion as the Federal Circuit. *See Rescuecom Corp. v. Google Inc.*, 562 F.3d 123, 128 (2d Cir. 2009) (citing *Two Pesos* for the proposition that "Section 43(a) of the Lanham Act protects unregistered trademarks as long *as the mark could qualify for registration* under the Lanham Act." (emphasis added)).

The Court in *Two Pesos* was not considering Section 2(a) or the other bars to registration in Section 2. Nor did the Court even address the registrability of the restaurant trade dress at issue in that case. Instead, the issue determined was whether the trade dress could be protected as inherently distinctive or whether secondary meaning was required. The NYIPLA respectfully submits that this passage from *Two Pesos* does not support using Section 2(a) to limit Section 43(a), but rather concerns only the issue of the overriding concern of the initial phrase in Section 2 to the effect that to qualify for protection, trademarks must distinguish the mark owner's goods from the goods of others. The use of "qualifying" in the quote "§43(a) protects *qualifying* unregistered trademarks" relates only to whether the mark operates as a trademark, i.e., whether it is capable of distinguishing the source of goods or services. *See id.* at 768. This interpretation is consistent with limits in the quoted statement from *Two Pesos*, which refer to "general principles" for registration that are applicable "for the most part" in determining whether an unregistered mark is entitled to Section 43(a) protection. *Cf. In re City of Houston*, 731 F.3d 1326, 1331 (Fed. Cir. 2013) ("We note that Houston has other means to prevent 'pirates and cheats' from using its city seal to deceive the public, [notwithstanding its rejection for federal registration under § 2(b)]. . . . Other legal protections under the Lanham Act may exist as well. *See*

15 U.S.C. § 1125."); *Bros. of Wheel M.C. Exec. Council, Inc. v. Mollohan*, 909 F. Supp. 2d 506, 542 (S.D. W. Va. 2012) ("As noted earlier, the flag contained within the plaintiff's mark does not violate USPTO guidelines [under § 2(b), but] even if it did, unregistered marks are protected under Section 43(a).").

While the Court in *Two Pesos* generally discussed Section 2 and Section 43(a), it did so only in the context of assessing requirements for establishing distinctiveness – that is, the mark's ability to distinguish the goods of the owner from those of others. The Court was asked to decide only whether a plaintiff with unregistered trade dress for its restaurant could sue a potential infringer for infringement under Section 43(a) if plaintiff's trade dress was found to be inherently distinctive but without secondary meaning. *See id.* at 765. The jury and the lower courts found that the trade dress was not descriptive, was inherently distinctive, and that it was not functional and those findings were not before the Court. The only issue was whether the jury's finding that the trade dress had no secondary meaning disqualified the trade dress from protection under Section 43(a), when the jury also found that the trade dress was inherently distinctive. The Court held that trade dress that is "inherently distinctive" is protectable without secondary meaning, because that trade dress is "capable of distinguishing the goods of the users of these marks." *Id.* at 772.

Clearly, a mark may well be capable of distinguishing the source of goods or services even if the mark conveys a message that "may be scandalous." Importantly, there is no language or suggestion in either *Two Pesos* or the legislative history of Section 43(a) that tethers Section

43(a) to any determination by the USPTO unrelated to the ability of the mark to function as a trademark. *See* 100 Cong. Rec. S16973 (Oct. 20, 1988). Rather, Section 43(a) serves to provide a brand owner who has not received a federal registration the ability to enforce its trademark against another who is using a mark likely to cause confusion. *See Sugar Busters LLC v. Brennan*, 177 F.3d 258, 269 (5th Cir. 1999) (finding that "the descriptive nature of a literary title does not mean [ ] that such a title cannot receive protection under § 43(a)"); *Orient Exp. Trading Co. v. Federated Dep't Stores, Inc.*, 842 F.2d 650, 654 (2d Cir. 1988) ("Even if appellants' registered marks are cancelled, . . . the use of the [disputed] name . . . could still be protected from unfair competition under section 43(a) of the Lanham Act."); *Walt-W. Enters. v. Gannett Co.*, 695 F.2d 1050, 1054 n.6 (7th Cir. 1982) ("Although trade names . . . are not registrable under the Lanham Act, an action for trade name infringement is nonetheless proper under 15 U.S.C. § 1125(a)." (citation omitted)).

C. The Purpose Of Section 43(a) Supports That *Two Pesos* Should Not Limit Section 43(a)'s Availability By "Registrability" Under Section 2(a)

"The purpose of [Section 43(a) of the Lanham Act] is to prevent consumer confusion regarding a product's source and to enable those that fashion a product to differentiate it from others on the market." *EMI Catalogue P'ship*, 228 F.3d at 61 (internal quotation marks omitted). On the other hand, the purpose of Section 2(a) is not to address consumer confusion, but rather to codify a statutory prerogative to refuse federal registration to certain marks such as those whose "meaning may be disparaging to *a*

substantial composite of the referenced group." *In re Lebanese Arak Corp.*, 94 U.S.Q.P.2d 1215, 1217 (T.T.A.B. 2010) (emphasis added). "Whether marks comprise immoral or scandalous subject matter hinges on the expressive, not source-identifying, nature of trademarks." *In re Brunetti*, 877 F.3d at 1349. This test for whether a mark is scandalous is thus made against a factual record of the mark's meaning to a composite group of persons, without regard to the mark's ability to distinguish the applicant's goods from those of others and thereby serve as a source identifier. The preamble of Section 2 states "[n] o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration unless," 15 U.S.C. § 1052, and thus reflects Congress' intent and purpose that a mark which may in fact distinguish the owner's goods from goods of others may nevertheless be refused for reasons wholly unrelated to the mark's ability to distinguish and identify source.

The NYIPLA believes that when placed in this context and as necessarily limited by the issues decided in *Two Pesos*, the proper reading of *Two Pesos* is that Section 43(a) and Section 2 both preclude the protection of non-distinctive marks. And because the scandalous clause of Section 2(a), in particular, is not at all designed to address distinctiveness, the fact that a particular mark may be "scandalous" to certain persons should not vitiate its owner's ability to protect its distinctive designation and sue for unfair competition under Section 43(a) to protect its mark and prevent consumer confusion.

CONCLUSION

For the above stated reasons, the NYIPLA respectfully requests that the Court: (1) following *Tam*, conclude that the Lanham Act's prohibition on registration of trademarks that are immoral or scandalous discriminates based on viewpoint and, as a result, is presumptively unconstitutional; and (2) should the Court declare Section 2(a)'s immoral or scandalous provision constitutional, also confirm the availability of Section 43(a) for an applicant whose mark has been so denied under Section 2(a).

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